

Connecticut General Assembly Before the Joint Committee on Energy and Technology

Written Testimony of The Vote Solar Initiative In Support of S.B. 1141 – An Act Concerning Net Metering Peter Olmsted, Policy Advocate

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Senator Fonfara, Representative Nardello and Committee members, thank you for the opportunity to submit written testimony in support of S.B. 114 ("An Act Concerning Net Metering").

My name is Peter Olmsted and I am a Policy Advocate for the Vote Solar Initiative (Vote Solar). Vote Solar is a non-profit organization with members throughout the U.S. that aims to address energy and environmental issues by bringing solar energy to the mainstream. We are an active stakeholder in the development of solar policy and programs including net metering in over 15 states throughout the U.S. Clean, cost effective renewable energy technologies provide a host of benefits including job creation, reduced pollution, electricity reliability, and energy independence.

The Vote Solar strongly supports S.B. 1141 and urges its passage. This bill amends the net metering law to further the use of in-state renewable energy resources and advance Connecticut's clean energy economy.

Commonly referred to as the policy that allows a customer's electric meter to spin backwards as a result of on-site energy generation, net metering is one of the most significant mechanisms for stimulating the deployment of clean energy alternatives. Generally speaking, when a customer's on-site facility generates electricity in excess of their demand, electricity is exported to the grid and the customer's account is credited accordingly.

As a simple billing arrangement designed to accommodate customer-sited distributed generation, states that have adopted strong net metering policies have greatly facilitated opportunities for citizens to participate in various types of clean energy investment. As accounted for in *Freeing the Grid*, an annual report that analyzes best practices in state net metering policies, Connecticut should be commended for being one of only fifteen states to receive an "A" for its current net metering policy.

The Vote Solar Initiative 104 West Chestnut Street, Lancaster, PA 17603 300 Brannan Street, Suite 609, San Francisco, CA 94107 www.votesolar.org Net metering is available to customers who install on-site Class I renewable energy systems, as defined by Connecticut law, up to 2 megawatts in size. The purpose of S.B. 1141 is therefore to build upon the state's strong net metering policy in an effort to not only expand the deployment of clean energy resources but to provide greater opportunities to a broad customer base, including low and moderate-income consumers.

S.B. 1141 would expand Connecticut's current net metering law to allow a customer that owns an on-site Class I renewable energy system but who receives electricity service on multiple meters to aggregate the loads from those meters so that the renewable energy system can offset electricity purchased from the utility for the aggregate load. In other words, S.B. 1141 would allow an end-user to utilize excess production from on-site energy systems to offset electricity demand at certain other accounts within a utility's service territory.

Most commonly known as aggregate net metering (ANM), there are a number of potentially beneficial applications of this policy mechanism. For example, a farm comprising multiple meters or accounts serving multiple buildings and facilities could install a single system to meet the farm's electricity demand without having to install multiple systems. ANM would also enable a customer take advantage of favorable siting locations, of which may not be located in proximity to the largest electricity demand (i.e., a wind turbine placed on a hill distant from the dairy barn in the valley). Similarly, a municipality could locate solar photovoltaics at one location to help offset its widely dispersed electricity consuming activities.

There are currently six states that have adopted ANM into their net metering programs, and several other states in the process of implementing or considering integration of this policy to further foster the development of clean, indigenous renewable energy generation. The direct benefits of greater renewable energy deployment include avoided utility costs plus avoided external costs and external benefits.

The most widely recognized benefits include: the value of energy production, generation capacity value, transmission & distribution (T&D) deferrals, reduced transformer and line losses, environmental benefits, natural gas price hedging, disaster recovery, blackout prevention and emergency utility dispatch, managing load uncertainty, retail price hedge, and reactive power control. Net metering policy is a fundamental policy mechanism to realize these benefits; well-designed ANM would be certain to increase the extent of these benefits. We submit that these diverse benefits would outweigh any costs borne by the utilities as well as any ANM participants and non-participants alike.

Adoption of ANM will help to address a number of technical and economic barriers to deployment of Class I renewable energy generation (e.g., cost, lack of access to sunlight, high transaction costs and lack of scale) and will enable the greatest number of Connecticut ratepayers to participate in the clean energy economy at the lowest possible cost. For these and the abovementioned reasons, Vote Solar supports this legislation and the intent of S.B. 1141.